

Message Text

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ACTION TRSE-00

INFO OCT-01 EA-06 ISO-00 NEA-10 IO-10 H-02 L-03 PA-01

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USADB

E. O. 11652: ADS, DECLAS 12/31/75

TAGS: EAID, EFIN

SUBJECT: PERSONNEL MANAGEMENT REVIEW - COMPENSATION MANAGEMENT (SALARIES AND BENEFITS)

FOR NAC AGENCIES

PASS TREASURY FOR ZINMAN

SUMMARY: ADB BOARD OF DIRECTORS WILL CONSIDER BANK MANAGEMENT'S PROPOSALS ON VARIOUS ISSUES IN CHAPTER V OF BOOZ, ALLEN AND HAMILTON (BH&H) PERSONNEL MANAGEMENT REVIEW. USADB WOULD APPRECIATE COMMENTS PRIOR TO AUGUST 19 EXECUTIVE SESSION OF BOARD OF DIRECTORS.

1. ADB DOC.EX/R5-75 ENTITLED QUOTE PERSONNEL MANAGEMENT REVIEW - COMPENSATION MANAGEMENT (SALARIES AND BENEFITS) UNQUOTE WAS POUCHED AUGUST 6 AND WIL BE CONSIDERED BY BOARD OF DIRECTORS IN EXECUTIVE SESSION AUGUST 19.

2. IN RECENT MONTHS, DIRECTORS HAVE CONSIDERED
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ASPECTS OF BA&H REPORT ON BANK ENTITLED QUOTE

PERSONNEL MANAGEMENT REVIEW UNQUOTE RELATING TO (A) SALARY STRUCTURE FOR ADB PROFESSIONAL STAFF AND (B) OPERATIONS OF PERSONNEL DIVISION. AUGUST 19 MEETING WILL FOCUS ON OTHER ASPECTS OF COMPENSATION MANAGEMENT (SALARIES AND BENEFITS) DISCUSSED IN CHAPTER V OF REPORT. SUBSEQUENT MEETING WILL CONSIDER PERSONNEL ADMINISTRATION ASPECT.

3. CURRENT DOCUMENT PROPOSES THAT CONSIDERATION OF ANY CHANGE IN SUPPORTING STAFF SALARY STRUCTURE AND REVIEW OF RATES OF DEPENDENCY ALLOWANCE BE DEFERRED UNTIL FORTHCOMING ANNUAL GENERAL SALARY REVIEW. PROPOSALS BEING SUBMITTED FOR CONSIDERATION AND APPROVAL OF BOARD AT THIS TIME INCLUDE FOLLOWING:

A. INCREASE FREE COVERAGE FOR ALL STAFF MEMBERS OF ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE FROM PRESENT THREE TIMES TO FOUR TIME ANNUAL SALARY. (ANNUAL PREMIUM COST TO BANK WILL INCREASE FROM ABOUT \$35,800 TO \$47,700 BASED ON EXISTING STAFF AND SALARIES.)

B. INCREASE LIFE INSURANCE COVERAGE OF STAFF MEMBERS, ON 50/50 PAYMENT BASIS, FROM TWO TIMES TO THREE TIMES ANNUAL SALARY. (ANNUAL PREMIUM COST TO BANK WILL INCREASE FROM ABOUT \$45,300 TO \$68,000 BASED ON EXISTING STAFF AND SALARIES.)

C. EXTEND EXISTING PROVISIONS FOR COMPASSIONATE SALARY ADVANCES TO STAFF MEMBERS BY PROVIDING, AFTER 24 MONTHS SERVICE, FOR ADVANCE UP TO TWO MONTHS SALARY REPAYABLE IN 12 MONTHS AT 5 PERCENT INTEREST PLUS ADDITIONAL ADVANCE OF UP TO EQUIVALENT OF FURTHER FOUR MONTHS SALARY REPAYABLE IN 30 MONTHS WITH INTEREST PLUS ADDITIONAL ADVANCE OF UP TO EQUIVALENT OF FURTHER FOUR MONTHS SALARY REPAYABLE IN 30 MONTHS WITH INTEREST AT SAME RATE AS FOR LOANS FROM BANK'S ORDINARY CAPITAL RESOURCES. SALARY ADVANCE AFTER SIX MONTHS SERVICE FOR REPAYMENT IN SIX MONTHS AT 5 PERCENT INTEREST: UP TO TWO MONTHS SALARY ADVANCE AFTER TWELVE MONTHS SERVICE FOR REPAYMENT IN TWELVE MONTHS AT 5 PERCENT INTEREST.)

D. AUTHORIZE, IN ADDITION TO EXISISTING ADVANCES TO ASSIST NEWLY ARRIVING STAFF MEMBERS IN SETTLING IN DUTY STATION, SECOND ADDITIONAL ADVANCE UP TO \$2,000 LIMITED OFFICIAL USE

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REPAYABLE IN 36 MONTHS WITH INTEREST AT SAME RATE AS FOR ORDINARY CAPITAL BANK LOANS. (EXISTING SCHEME PROVIDES FOR UP TO THREE MONTHS SALARY ADVANCE REPAYABLE IN EIGHTEEN MONTHS AT 5 PERCENT INTEREST; ADDITIONAL ADVANCE OF UP TO \$2,000 REPAYABLE IN TWELVE MONTHS AT 6 PERCENT INTEREST.) ALSO PROPOSED THAT STAFF MEMBER BE PERMITTED TO OBTAIN THESE ADVANCES DURING FIRST TWELVE MONTHS IN DUTY STATION INSTEAD OF

EXISTING SIX MONTHS LIMITATION.

E. INCREASE FOR THOSE STAFF MEMBERS CURRENTLY ENTITLED TO SETTLEMENT ALLOWANCE PAYMENTS AS FOLLOWS: STAFF MEMBER -- FROM \$1,000 TO 1,200; EACH DEPENDENT FOUR YEARS OF AGE AND ABOVE -- FROM \$500 TO \$600; AND EACH DEPENDENT BELOW FOUR YEARS OLD -- FROM \$250 TO \$300. (FOR STAFF MEMBER WITH AVERAGE FAMILY, ADDITIONAL COST TO BANK PER NEW ARRIVAL WILL BE \$500.)

F. RECRUIT PHILIPPINE NATIONAL WITH BACKGROUND IN REAL ESTATE AND LAW FOR POSITION OF HOUSING COORDINATOR. (COST PER ANNUM INCLUDING SALARY AND BENEFITS APPROXIMATELY 43,000 PESOS.)

G. RECONSIDER PROPOSAL REJECTED EARLIER THIS YEAR BY DIRECTORS TO ADD ALL SAINTS DAY TO BANK'S LIST OF OFFICIAL HOLIDAYS.

H. PERMIT ALL UNUSED SICK LEAVE TO BE ACCUMULATED INDEFINITELY AS PROVIDED FOR BY WORLD BANK. (ACCUMULATION CURRENTLY LIMITED TO 90 DAYS.)

4. USADB WOULD APPRECIATE COMMENTS SOONEST. SULLIVAN

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